



Chief Executive

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Mr Scott Gregson
General Manager
Adjudication Branch
Australian Competition and Consumer Commission
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FILE No:
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MARS/PRISM:

Dear Mr Gregson

Thank you for your letter of 20 December 2006 to Mark Cormack regarding the Royal Australian College of General Practitioners' (RAGCP) application for revocation of their existing authorisation and substitution of a new authorisation.

In relation to the specific issues on which the Australian Competition and Consumer Commission (ACCC) has requested input, ACT Health would like to submit the following feedback.

Relevant developments and initiatives in the GP sector since 2002

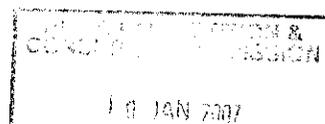
Two developments in the GP sector are particularly relevant to the application for revocation and substitution.

Firstly, there has been a reduction in the number of solo practices and an increase in the number of group practices, including those operating with extended hours. This has resulted in patients being less likely to see the same doctor on every visit to the general practice, a fact that is increased by the part-time GP workforce. In this context, it is important that fees are consistent within practices to ensure that patients who may see a different GP do not experience any change in fee. It is in the public interest to provide predictable consistent billing arrangements within the health unit of a general practice.

Secondly, there has been an increase in the last four years in the item numbers that GPs can access under the MBS. Differing charges within the general practice for each item number would be additionally confusing to the patient.

The extent to which the 2002 authorisation has been relied upon by eligible practices

I am advised that the 2002 authorisation was welcomed by eligible practices as it provided a stable business environment for general practice and removed the concern of possible investigation by the ACCC. A new authorisation would contribute to the stability of the general practice business environment and support consistent and predictable fees for patients.



Whether, and to what extent, the authorisation has had an impact on the fees charged by GPs in metropolitan, regional and rural areas

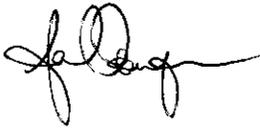
The ACT is an urban area and the impact of the authorisation on regional and rural areas is therefore not relevant in the ACT. It does not appear that GP fees in the ACT have increased as a result of the authorisation. The bulk billing rate in the ACT remains low but this is as a result of the low GP workforce numbers in the ACT rather than the authorisation.

The likely benefits and detriments of the new aspect of the substitute authorisation relating to hospital agreements

The ACT public hospital system is not supported by the GP workforce to any significant degree and therefore the interim authorisation relating to hospital agreements has no impact in the ACT.

Once again, thank you for the opportunity to provide feedback on the RACGP's application for revocation and substitution. If you require any further details on the information above, please contact Sarah Bellinger, Primary Health Care Policy, on 62050917 or sarah.bellinger@act.gov.au

Yours sincerely



Ian Thompson
A/g Chief Executive

8 January 2007